

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF DUKE)	CASE NO.
ENERGY KENTUCKY, INC. FROM NOVEMBER)	2014-00229
1, 2013 THROUGH APRIL 30, 2014)	

ORDER

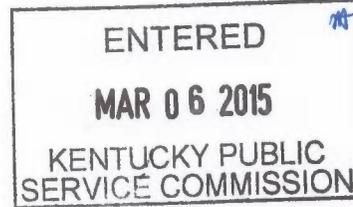
Pursuant to 807 KAR 5:056, the Commission established this case on August 13, 2014, to review and evaluate the operation of the Fuel Adjustment Clause ("FAC") of Duke Energy Kentucky, Inc. ("Duke Kentucky") for the six-month period that ended on April 30, 2014. On January 30, 2015, the Commission issued an Order which found that purchase power costs of \$11,787 in excess of Duke Kentucky's own highest-cost generating unit available to be dispatched to serve native load during the reporting expense month should be disallowed in Duke Kentucky's two-year review proceeding covering the period November 1, 2012 through October 31, 2014.

On February 19, 2015, Duke Kentucky filed a petition for rehearing. In its petition, Duke Kentucky argues that the Commission's Order ignores that the PJM Interconnection, Inc. energy markets are operated on an economic dispatch basis, disregards 807 KAR 5:056, Section 1(3)(b), and is inconsistent with the spirit of the regulation.

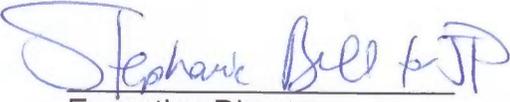
Having reviewed the petition, the Commission finds that rehearing should be granted to allow for further evaluation of the issues presented.

IT IS THEREFORE ORDERED that rehearing is granted to allow for further evaluation of the issues presented.

By the Commission



ATTEST:


Executive Director

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